

# State Ethics Commission

## Departmental Budget Overview

**Joint Appropriations Subcommittee for General Government**

**March 13<sup>th</sup>, 2013**



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# Outline

- Statutory Authority and Mission
- Organizational Chart
- Duties of the State Ethics Commission
- Budget Overview
- Description of Program Areas

# Statutory Authority

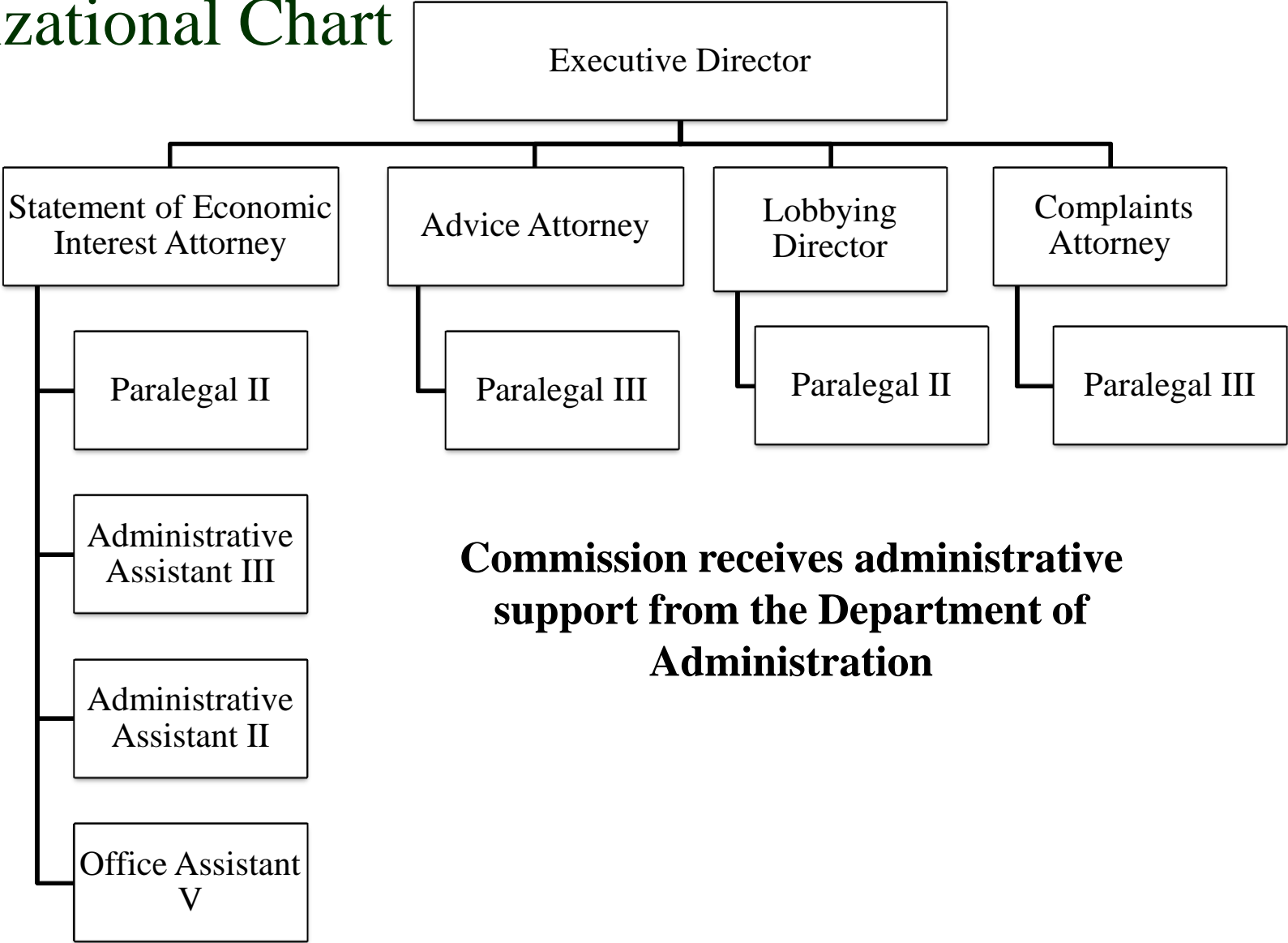
- Chapter 138A of the NC General Statutes
  - The State Government Ethics Act
    - Created the State Ethics Commission
    - Statements of Economic Interest
    - Ethical Standards for Covered Persons
- Chapter 120C of the NC General Statutes
  - The Lobbying Law
    - Investigate complaints

# State Ethics Commission's Mission

The Commission's primary mission is to ensure that public officials covered by the State Government Ethics Act "exercise their authority honestly and fairly, free from impropriety, threats, favoritism, and undue influence."

# State Ethics Commission

## Organizational Chart



**Commission receives administrative support from the Department of Administration**

# State Ethics Commission's Appointed Members

- Commission consists of 8 board members
- Governor appoints 4 members
  - No more than two can come from the same political party
- General Assembly appoints 4 members
  - Speaker recommends 2 appointments
    - Appointments must come from different political parties
  - President Pro Tempore recommends 2 appointments
    - Appointments must come from different political parties

# Duties of the State Ethics Commission

- Administer the financial disclosure requirements, Statements of Economic Interest (SEI) for covered persons
  - Public servants, legislators, and judicial officers
- Educate individuals covered by the State Government Ethics Act and Lobbying Law about their duties and responsibilities under those laws

# Duties of the State Ethics Commission

- Advise public servants, legislators, judicial officers, and lobbyists concerning compliance with the ethics and lobbying laws
- Investigate complaints alleging unethical conduct by public servants, legislators and legislative employees
- Investigate complaints alleging violations of certain sections of the lobbying law, including the gift ban, by lobbyists and lobbyist principals



# State Ethics Commission Budget

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Certified	FY 2013-14 Continuation	FY 2014-15 Continuation
Requirements	\$1,337,528	\$1,262,753	\$1,144,598	\$1,186,603	\$1,186,603
Receipts	\$716	\$199,212	\$0	\$0	\$0
Appropriation	\$1,336,812	\$1,063,541	\$1,144,598	\$1,186,603	\$1,186,603
FTEs	14	12	12	12	12

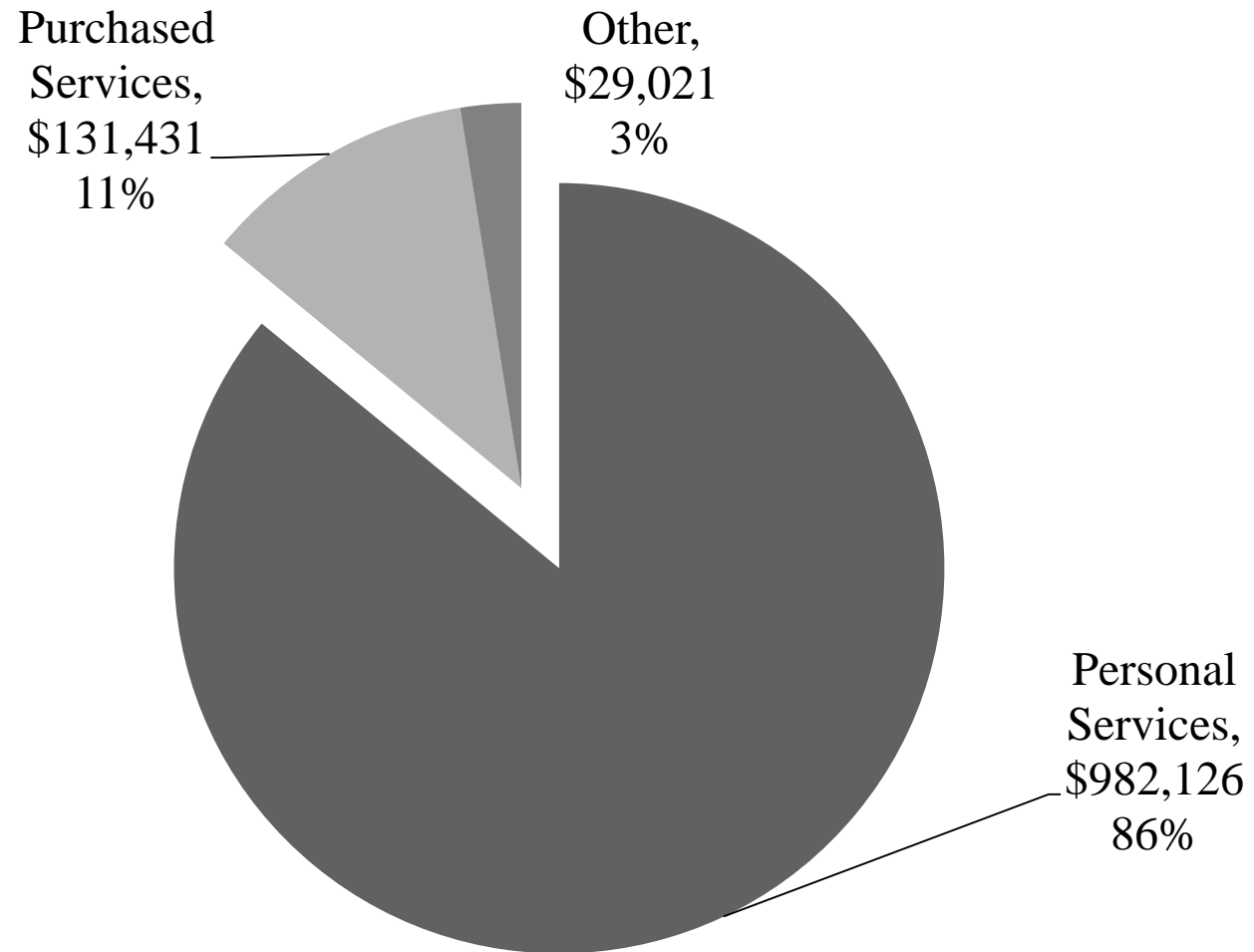
## **FY 2011-12 Receipts**

Carry Forward: \$119,700

Fines, Fees, Penalties: \$75,000

# State Ethics Commission

## FY 2012-13 Certified Budget Breakdown



# Statements of Economic Interest (SEI)

- Develop & distribute all SEI and related forms (including amendment & “short” forms)
- Respond to questions from filers concerning their SEI disclosures
- Evaluate SEIs of all public servants (Executive branch officials and employees) for actual and potential conflicts of interest
- Approximately 4,600 people filed an SEI in 2012
  - Less than 10% do not file within 30 days

# Expansion of SEI Coverage

- Last session, HB 950 expanded the number of covered persons to include the Technical Coordinating Committees (TCC) and Technical Advisory Committees (TAC) of Metropolitan Planning Organizations (MPO) and Rural Planning Organizations (RPO)
- Increase of at least 1,399 new covered persons
  - Expected to be more
  - Law went into effect January 1, 2013

# Education

- Develops and conducts statutorily mandated ethics and lobbying education for public servants, legislators, and legislative employees (online and classroom)
- Assists legislative staff in developing and maintaining online ethics education program for legislative employees
- Develops lobbying law presentations for lobbyists and lobbyist principals
- Reached 1,600 public servants, legislators, lobbyists, and others

# Advice & Formal Advisory Opinions

- Respond to requests for advice on compliance with the ethics law from public servants, legislators, and legislative employees, including conflicts of interest, gifts ban, use of title, and other requirements of the ethics law
- Research and respond to requests for advice and formal advisory opinions from lobbyists, lobbyist principals, legislative liaisons and others concerning compliance with the lobbying law
- Research and draft formal advisory opinions for consideration by the Commission as requested by public servants, legislators, and legislative employees

Advisory opinions given in 2012

Formal: 5

Informal: 554

# Complaints and Investigations

- Receive and investigate complaints alleging unethical conduct against public servants, legislators, legislative employees, and judicial officers
- Receive and investigate complaints alleging violations of portions of the lobbying law, including the gift ban
  - Secretary of State investigates violations or registration and reporting requirements
- Commission received 177 complaints and inquiries in 2012
  - 21 led to preliminary inquiries, 18 of those dismissed
    - Insufficient evidence is the most common reason for dismissal

# Questions